



FTI Consulting Projects U.S. Online Retail Sales to Approach \$440 Billion in 2017

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Online Market Share Expected to Nearly Double by 2026

WASHINGTON, Nov. 01, 2016 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE:FCN) today released its [U.S. Online Retail Forecast: Omni-Channel Retailing Challenged by Its Success](#), which projects U.S. online retail sales will approach \$440 billion in 2017, compared to an expected \$395 billion in 2016.

Online retail sales growth has accelerated slightly in the past year to just over 14 percent, and FTI Consulting's forecast expects online retail sales growth will moderate to 11.4 percent next year, compared to approximately 2 percent to 3 percent for store-based sales. However, online-only retailers, predominantly Amazon.com, Inc., are taking an increasing share of total online sales despite the success to date of many omni-channel retailers — those with a combination of traditional retail stores, online stores or other shopping channels, according to research from FTI Consulting's [Retail & Consumer Products](#) practice.

"For each marginal sales dollar that migrates away from stores to the online channel today, only about \$0.68 stays within the traditional retail ecosystem," said [Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice within the [Corporate Finance & Restructuring](#) segment at FTI Consulting. "Online sales by omni-channel retailers are growing robustly but aren't accelerating enough to match Amazon's torrid sales growth. There is little reason to believe this trend will reverse, despite the efforts of traditional retailers."

FTI Consulting projects online retail sales will reach \$562 billion by 2020, with online market share reaching 21 percent, excluding the low penetration category of grocery. This growth trajectory will result in a near-doubling of online market share by 2026.

In contrast to early mover, high-penetration product categories, such as books and music, the majority of online sales dollars today comes from medium-penetration categories, such as apparel and accessories, consumer electronics, home furnishings, sporting goods, and toy and hobby, all of which have online market shares in the mid-teens to low 20 percent range, according to FTI Consulting's estimates.

"Consumers' shopping patterns have evolved, and it's not just during 'event days' such as Cyber Monday. Most shoppers are completely comfortable purchasing goods online every day from any of several personal devices," Ms. Hart said. "We expect that the migration to the online channel will continue over the next decade, particularly given the findings in our recent article on omni-channel and customer preferences, '[Online, Offline or Both, Shoppers Call the Shots 24/7](#),' that 90 percent of our survey respondents had made an online purchase in the past three months."

About the U.S. Online Retail Forecast

FTI Consulting's U.S. Online Retail Forecast model is derived from imposing the best-fitting logistic curve on historical online sales data by product category. The U.S. Census Bureau has published online retail sales estimates in about a dozen product categories since 1999. From these time series data sets, FTI Consulting estimated online market shares for these categories since inception and then derived an appropriate logistic growth equation for each market share to project online sales and market shares in the years ahead. These online sales forecasts by product category are then aggregated to derive a bottom-up forecast.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,600 employees located in 29 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$1.78 billion in revenues during fiscal year 2015. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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